

Promises Made to be Broken

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Macedonia's two biggest parties seem to be making hopelessly unrealistic campaign pledges.

Campaigning for the Macedonian parliamentary elections this Sunday has been dominated by the twin issues of unemployment, with the two biggest parties claiming implausibly that they can solve the problem.

The ruling VMRO-DPMNE and the opposition Social Democratic Union, SDSM, have insisted they can create between 150,000 and 200,000 jobs if they form the next government, in an attempt to halve the current 32 per cent unemployment rate.

VMRO-DPMNE claims it has already created 110,000 jobs in its last four years in government, though economic experts dispute this.

Prime ministerial candidate Branko Crvenkovski, leader of the opposition coalition "For Macedonia All Together", has come up with a promise to provide employment for at least "one member in each family".

Experts have warned that such promises are totally unrealistic in a market economy. The only way the government could increase employment is by expanding the public sector. However, a recent survey by the World Bank discovered that 60 per cent of state employees are in fact surplus to requirements.

"Such pre-election promises of new jobs cannot be fulfilled - and the parties know it," claimed Xhevdat Hairadini, an independent economist and former finance minister. He points out that the parties have not said where or how they would employ an extra 100,000 or 150,000 people.

Taki Fiti, an economics professor at Skopje University and former finance minister in the previous Crvenkovski government, said the promise to create thousands of new jobs could only be achieved if Macedonia achieves an unusually high growth rate.

"With an average growth of five to six per cent, around 20,000 jobs could be created each year - 80,000 over four years," he said.

The emptiness of the job promises made by the two parties is reflected by the fact that with only a few days to go before the poll, their leaders have dropped the subject altogether and launched into attacks on each other. The campaign has turned into a verbal battle over which of them has inflicted more damage on the country over the past decade.

The party leaders appear to believe this is a far better way to court the voters on the eve of the ballot than offering potentially difficult solutions for the country's ailing economy.

Sociology professor Ilija Acevski told IWPR that domestic politics is dominated by the themes of "who is a bigger Macedonian" and - among ethnic Albanians - "who is the greatest Albanian", instead of confronting the real problems.

Last month's Human Development Report published by the UN Development Programme, UNDP, singles out joblessness as the biggest problem facing Macedonia.

Ilija Todorovski, coordinator of the team that prepared the UNDP 2001 National Report of Human Development, said insecurity over unemployment plagued more than half of the population, well ahead of the number who felt threatened by low salaries or ethnic tension.

The section that dealt with anxiety and social exclusion concluded that almost everybody felt insecure, whether they had jobs or not.

And the unemployment situation could worsen if the country fails to make a fresh arrangement with the International Monetary Fund, IMF, as it risks losing control over its monetary and credit policy.

Tome Nenovski, a former deputy governor of the National Bank of Macedonia, NBM, said that last year's armed conflict with ethnic Albanian insurgents has left the country facing a huge deficit. "Foreign exchange reserves have shrunk by 250 million US dollars and, because of that, we need to cooperate with the IMF," he said.

Economic experts agree the new government will have to take great care to patch up relations with the IMF, especially after the enormous amounts of pre-election spending by the Georgievski government in May and June, which was not approved by the IMF.

In the end, if relations with the IMF break down irrevocably, it is Macedonia's people who will ultimately pay the price.

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Location: Macedonia

Focus: Balkans: Regional Reporting & Sustainable Training

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